

Committee Secretary
House of Representatives Standing Committee on Social Policy and Legal Affairs
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Parliament House
Canberra ACT 2600
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25 October 2019

Re: Submission to the Standing Committee on Social Policy and Legal Affairs inquiry into age verification for online wagering and online pornography

Thank you for the opportunity to make a submission to the Standing Committee's inquiry into age verification for online wagering and online pornography (the Inquiry).

The Alliance for Gambling Reform supports the review of the age verification measure introduced under the National Consumer Protection Framework (NCPF) for online wagering earlier this year. We congratulate the Government on the introduction of this important reform and welcome the opportunity to comment on the effectiveness of this measure, and how it might be strengthened further to protect children from gambling harm online.

The Alliance is interested in the outcome of this review given the rise of online wagering in Australia, and growing risk to young people who are increasingly exposed to sports gambling advertising. This advertising is undoubtedly having an impact as research shows that 75 percent of 8-to-16-year-olds think gambling is a normal part of sport.¹² A 2019 Victorian study found that almost one in three students aged 12–17 have gambled. Among those who had gambled, 54 percent had bet on horse or dog racing, and 38 percent had bet on sports. Six percent of students had gambled in the past month, and of those who gambled, 13 percent were classified as at high risk of experiencing harm from gambling.³ This makes rigorous age verification a crucial part of a suite of measures needed to protect children from harmful and addictive products online.

Age verification at the point of account establishment

While the Alliance strongly supports mandatory age verification, we believe that the current 14 day requirement is an unreasonable delay that poses unnecessary dangers to children online. This window allows 14 days for a child to 'experiment' with an adult product before their account is forcibly closed. Funds are *only* returned if that child is verified to be under 18 years of age. If the child knows what they are doing is illegal, it is highly unlikely they will submit such verification to have deposited monies returned.

The Alliance holds that just as we would not allow a child to be exposed to pornography for 14 days before verifying they are in fact a child, we should apply the same standards of protection to ensure children are not exposed to online wagering. Technical solutions exist to mandate age verification when an account is first established, or at a minimum, *before* any money is deposited (and by extension, before a bet is placed). Most wagering firms use an instantaneous means of

¹ Pitt, H, Thomas, S, Bestman A, Stoneham, M, Daube, M (2016) "It's just everywhere!" Children and parents discuss the marketing of sports wagering in Australia, *Australia & New Zealand Journal of Public Health*, Volume 40, Issue 5

² Thomas, SL, Pitt, H, Bestman, A, Randle, M, Daube, M & Pettigrew, S (2016) Child and parent recall of gambling sponsorship in Australian sport, *Victorian Responsible Gambling Foundation*, Melbourne.

³ Freund, M, Noble, N, Hill, D, White, V, Evans, T, Oldmeadow, C & Sanson-Fisher, R (2019) The prevalence and correlates of gambling in secondary school students in Victoria, Australia, 2017, *Victorian Responsible Gambling Foundation*, Melbourne.

online age verification, for example the Equifax ID validation service.⁴ There is no reason why this could not occur when an account is first established. Just as an individual is required to submit 100 points of identification upon purchasing a mobile phone SIM card in Australia, so too should they be required to be verified as over 18 years of age before depositing any money into an online wagering account, or placing a bet.

We have consulted people affected by gambling harm and drawn upon their experience and recommendations for mitigating the risks of harm to children. We heard resoundingly that age verification must occur *before* a bet can be placed to reduce the prospect of harm:

Andrew* (not his real name), a 33 year old advertising professional who experienced harm from sports gambling for 15 years told us: “someone could still register and lose money for a full 14 days before having to verify their identity and age. You could spend 4 or 500 dollars before being verified. My recommendation to improve the harm reduction measure would be to require an individual to verify their name and age before making the first deposit, rather than the first withdrawal. Ideally, by providing the 100 points of ID, as well as a phone call from the agency to check the person is who they say they are.”

Libby, a 70 year old retired teacher from Gippsland similarly expressed: “To reduce the period to 72 hours would be a bit safer...but why allow any time at all? It would be better to require formal ID to be given when applying for an account. No ID = No Account.”

Todd* (not his real name), who suffers gambling-related mental ill-health, said: “From my experience the age verification timeframe being reduced from 14 days to 3 would have little or no impact. In fact I would support verification to take place before you can deposit.”

The Alliance asserts that allowing any window for gambling to occur before age verification has taken place is dangerous and harmful. The only way to protect children from this harm is to ensure age verification at the point of account establishment.

Not a silver bullet

While age verification is a significant first step, it is not the only safeguard to protecting children online. The aforementioned Victorian study also found 50.9 percent of those who ever gambled had a parent or a legal guardian purchasing for them, suggesting greater education is also needed to protect children from gambling harm.⁵ Further research is required to understand to what extent children are managing to circumvent age verification, for example, by using the identification or account of an adult friend or family member (with or without their consent).

Consistency across other adult products

Just as gambling and pornography are adult products that should be restricted to children online, so too should age verification be required at the point of transaction for online alcohol sales. The Alliance supports the submission made by the Foundation for Alcohol Research and Education and encourages the Committee to also consider age verification in this regard.

Thank you once again for the opportunity to provide advice to the Committee. If you have any questions about this submission, please do not hesitate to contact our Campaigns Director

⁴ Beteasy Account Verification <https://beteasy.com.au/support/member-info/account-verification> [accessed 22 October 2019]

⁵ Freund, M, Noble, N, Hill, D, White, V, Evans, T, Oldmeadow, C & Sanson-Fisher, R (2019) The prevalence and correlates of gambling in secondary school students in Victoria, Australia, 2017, *Victorian Responsible Gambling Foundation*, Melbourne.

Margaret Quixley margaret@agr.org.au. The Alliance looks forward to the release of the Committee's findings.

Yours sincerely,

Tony Mohr
Executive Director

About the Alliance

The Alliance for Gambling Reform is a national advocacy organisation and registered health charity formed out of an urgent need to address the harmful and unfair impacts of gambling and its normalisation in Australia. We are a non-partisan alliance of more than 60 organisations who share our objectives of preventing and minimising harm from gambling, and we are entirely funded by individuals, foundations and local governments that do not have any ties with the gambling industry.

We take a public health approach to gambling reform, centring those with lived experience of gambling harm at the core of our work based on the principle that those closest to the harm are those closest to the solutions. We seek to collaborate meaningfully with elected representatives, local councils, service agencies, faith and community groups to prevent and reduce harm through policy change. The Alliance also provides coordination, expert advice and practical resources to our supporter organisations, community groups and the media.

*This submission draws upon testimony from people and families impacted by gambling harm and who have shared insights into online wagering age verification. In some cases testimony has been provided on the condition of anonymity, however, the Alliance is able to furnish further evidence of these claims should this be required.

Language disclaimer

A widely used, standard definition of disordered gambling is that "Problem Gambling is characterised by difficulties in limiting money and/or time spent on gambling which leads to adverse consequences for the gambler, others, or for the community"⁶. While there is no agreement on definitions of "difficulties" or the scale of "adverse consequences" which would constitute harm, the Alliance believes that any difficulties and any adverse consequences are harmful. We avoid the use of the term "problem gambler" as it is stigmatising and victim-blaming. We recognise the Problem Gambling Severity Index used in clinical settings, but consider that even those gamblers characterised using that system as being at low or medium risk, can in fact experience significant harm. The Alliance aims to prevent or reduce harm from gambling, regardless of the risk factor of individual gamblers, and particularly with regard to their families, carers, colleagues and community, who are also impacted by gambling.

⁶ Neal, P., Delfabbro, P., & O'Neil, M. (2005). *Problem gambling and harm: Towards a national definition*. Commissioned for the Ministerial Council on Gambling. Prepared by the SA Centre for Economic Studies with the Department of Psychology, University of Adelaide. November 2005. <http://www.adelaide.edu.au/saces/gambling/publications/ProblemGamblingAndHarmTowardNationalDefinition.pdf> .